

FEATURES

A journey from Kano to Lagos in search of a missing M form

By Michael Holman

LAGOS — We travelled in mini-procession down noisy, bustling Broad Street in the heart of Lagos, side-stepping huge puddles left behind after torrential rain, in pursuit of a missing M form.

This is the story of a search for that vital piece of paper—and five copies—which any businessman in Nigeria wishing to make a foreign exchange application must complete and submit to the country's central bank. It is the key document which amounts both to permission to import a particular item, and permission to pay for it in foreign exchange.

The story begins on March 23 when the central bank suspended the opening of letters of credit and processing of M forms as the first step towards assessing—and reducing—the country's level of imports, which were far outstripping earnings from oil exports. This was followed on April 20 by the announcement of wide-ranging austerity measures, including import curbs, hefty import deposits, and the need to revalidate all old M forms.

The full effect of those measures has yet to become clear: the past two months have been a grace period in which exporters to Nigeria have scrambled to beat the deadline for old orders to be delivered. But the Nigerian intention is to cut its import bill by one third from N1.2 billion (\$1.76 billion) to N800 million a month. For a major exporter like Britain, that would mean a cut in its annual export trade of \$500 million (\$870 million) from last year's \$1.5 billion of goods sold to Nigeria.

For Alhaji Mahmud Umoru, chairman of Ceramic Manufacturers (Nigeria) Ltd, the M form change was critical. His N17m plant, in which Jouffrion International of France holds 8 per cent of equity and Netsch Freres of West Germany 12 per cent, is due to be commissioned in September.

The plant, which will employ 1,750 people and produce 5,250 tons of sanitary wares a year, is in the process of installing equipment worth Ffr 30 million (\$4.4 million), imported of course under an M form.

Also required are the raw materials for the plant—including chemicals, acrylic bath tubs, taps, cisterns and siphons. All these have been ordered from British companies, are worth just over £1 million and require separate M forms. Without the rest of the equipment and the raw materials, the plant will not open as scheduled in September.

So Alhaji Umoru, an accountant and banker who took a marketing diploma at Harvard, arranged through the Kano Branch of the Societe Generale bank (SGB) to resubmit his forms, in compliance with the new regulations.

This was in late April. By the beginning of June Alhaji Umoru was getting worried. He had heard nothing further. Time was running out. So on June 8 he flew the 750 miles from Kano, in the north of Nigeria, to Lagos to investigate the matter personally.

His first stop was the Broad

Street branch of SGB. Yes, he was told, the forms had indeed been sent on to the central bank but nothing further had been heard.

From SGB Alhaji Umoru dropped in on the offices of the Manufacturers Association of Nigeria, on whose board he sits. SGB director, Dr. Eleazu, gave an account of the difficulties many manufacturers were facing.

"The measures were well-intentioned," he said, "but there have been difficulties in implementing them." The central bank, he went on, was seriously short of staff and had had difficulty coping with the old system. "Yet the new one is even more complex."

Delays in M form processing are forcing some firms either to close for lack of raw materials or to go on to short-time working. Dunlop Nigeria, for example, is critically short of carbon black, an essential import for its tyre plant.

"The bank," said Dr. Eleazu, "is inundated by form M applications and it seems that anything for over N500,000 is shelved." Further, the new import duties announced in the austerity package had some serious anomalies. Raleigh Industries, which manufactures bicycles requiring some imported components, but with a 65 per cent local value added, was harder hit than firms which assembled CKD bicycle kits.

It should be said, however, that some observers believe the bank is making considerable efforts. "Obviously there are going to be teething problems," said one experienced businessman, "but from the governor downwards the bank is trying to put its house in order."

Meanwhile, Dr. Eleazu did his best for Alhaji Umoru. He rang Mr. Nwarache, director of exchange control at the central bank, and made an appointment. So Alhaji Umoru and I set off from the Unity House offices of the manufacturers' association into the cacophony of steamy Lagos, dodging the yellow taxis and threading our way between the street vendors.

The first stop was the main central bank building in Saka Tinubu Square. Wrong place, it transpired. Onwards. A bank messenger was delegated to escort us, for Alhaji Umoru, who seemed to know every other person in the street, is what one would call here "a big oga"—i.e., a man of influence and substance.

We made our way along Broad Street: first the messenger, then the oga, elegant Northern robes flowing, followed by our correspondent, equipped with a green and white umbrella carrying a picture of the national football team, the Green Eagles, and a notebook.

On the eighth floor of Mandilas House we were ushered into the office of Mr. Nwarache, but a senior manager in the "comprehensive import supervision scheme, exchange control department."

He listened patiently as Alhaji Umoru explained his predicament. He had some comfort to offer. The M form covering the import of plant and equipment remained valid—as the new regulations he read out made



clear—for it involved a project already under way.

As for the M forms applying for foreign exchange for raw materials: when was it sent to the bank? Late April, was the reply—perhaps, Alhaji Umoru said hopefully, it lay in the very pile on the desk in front of him.

The official, a model of patience whose phone rang constantly with callers asking about M forms, made two observations.

If it had been submitted in late April it would not be in the pile—those forms were dated May. "But we sometimes find that banks tell their customers that they sent the form off weeks ago, but in fact they have only got round to it—and we are blamed for the delay," He smiled sadly.

No doubt, said the official, SGB

had acted promptly in this case. But if Alhaji could return to his bank and get the date of submission, it would be easier to trace the form M at the central bank.

And so Alhaji Umoru and I set off for SGB. The appropriate staff member, alas, was "not on seat"—he was at lunch. But we were directed to the man who safeguarded the ledger in which all M form transactions were recorded.

A lengthy search ensued. No record of the M form. "There was great confusion in April," said an embarrassed official by way of explanation. And while the search continued he told us that the central bank appeared to be giving priority to applications for raw materials. "We have N100m outstanding in other categories, and

we're only a small bank."

The forms submitted by Ceramic Manufacturers could not be found. We had reached the end of the road. "In future," suggested the official, "we think you should arrange for form M to be delivered directly to us, and not through our branch."

This is easier said than done. Communications between Lagos and Kano are poor. Telex and phone links usually do not work, and mail can take weeks. So if Alhaji Umoru has essential business in Lagos he has to make the journey himself—costing N155 for the return ticket, N208 a day for hotel, meals and car hire.

Alhaji Umoru, who in the course of the day has never raised

his voice in anger or frustration, makes one observation: "The delay costs us money. To recover this we have to charge higher prices for our products—and this is one of the reasons locally made goods can be more expensive than their imported or smuggled counterparts."

It also means that Alhaji Umoru has to start all over again. He has no alternative but to submit fresh M forms—which will, if he is fortunate, take some six weeks before they re-emerge from the central bank. The raw materials for his plant will almost certainly not arrive in time and its opening will be delayed.

— Financial Times news feature

Engine cost pressure draw rivals together

By Michael Donne

LONDON — This summer, if all goes well, the world's biggest international aero-engine consortium may be set up to build a new jet engine for a projected 150-seater airliner.

The companies concerned — Rolls-Royce of the U.K., Pratt and Whitney of the U.S., Ishikawajima-Harima Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries of Japan, and Motoren-und Turbinen Union of West Germany — all feel that such a group is likely to be the only way in which any of them will make any money out of what is likely to be the biggest single airliner programme yet attempted.

Although the world airline industry is still in the trough of the recession, incurring heavy losses, many airlines believe that in the late 1980s, —but not before then — a market will emerge for a new generation, more fuel-efficient and quieter jet airliner, seating around 150 passengers on short-range routes. The market through to the end of the century could amount to more than 1,000 aircraft, worth an estimated \$40 billion to \$50 billion.

But it will be very costly to develop.

It is estimated that the airframe development alone will cost upwards of \$1.7 billion, while the new engine of about 24,000 to 25,000 lbs thrust will cost another \$1.3 billion. If, as has seemed likely over the past two years, two to three engine companies (or even groups) and two to three engine companies, all compete for shares in the market, the total investment involved will amount to perhaps as much as \$3.5 billion to \$7 billion on the airframe, and perhaps more than \$3.5 billion on the engine.

These are massive investments by any standards. No individual company in the aerospace industry can afford to spend on such a scale by itself, so international collaboration has become essential.

In the U.K. the need for such a large engine consortium is regarded as particularly important. Rolls-Royce itself, still fighting its way back into profit after a period of losses (its net loss in 1981 amounted to £3 million (\$5.2 million) against a net loss of £27 million in 1980), will need substantial government cash support for its share of any engine programme for the 150 seater (perhaps amounting to as much as £250 million).

The British government, not averse in principle to providing aid for new civil projects, would like to keep any cash injections it makes as low as possible by sharing the overall cost burdens as widely as possible.

Rolls-Royce has already gone some way towards meeting this requirement, by collaborating with the three Japanese aero engine companies on the RJ-500 engine for the 150 seater, which is already well advanced, with two "demonstrator" engines — built to prove the fundamental soundness of the basic design concept — having already run on the test-beds at Derby and at IHI's factory near Tokyo.

So far, both Rolls-Royce and the Japanese companies have spent their own cash in the preliminary development of the RJ-500 engine. But the time is rapidly approaching when to proceed to full-scale development will mean calling for cash support from both the U.K. and Japanese governments.

Because of the amount of cash likely to be needed, an even larger international group on the engine venture — and, indeed, on the airframe side as well — will undoubtedly be welcomed by those two governments.

As a result, over recent months, Rolls-Royce and the three Japanese engine companies have been discussing with both the major U.S. engine companies, Pratt and Whitney and General Electric, the possibility of setting up a much wider group. These talks have now reached the point where General Electric (which is already collaborating with Snecma of France on a rival engine, the CFM-56) has dropped out.

Rolls-Royce, the Japanese and Pratt and Whitney, together with the latter's partner, Motoren-und Turbinen Union (MTU), will now move on to the much more difficult task of stitching together the practical details of a consortium, such as work sharing, cost sharing and programme management.

The belief is that Rolls-Royce, the Japanese group and Pratt and Whitney will each have about 30 per cent of the proposed venture, with the remaining 10 per cent left

to others, such as MTU, and also Fiat Aviazione and Volvo Flymotor of Sweden.

The problems involved include how much of each group's existing work will be new partnership — for example, how much of the RJ-500 will be married to Pratt and Whitney's own 24,100 lbs thrust STP-632, or whether one, other will be abandoned (unlikely course). Each group has its own brand of new technology to offer, and will want to use it.

Rolls-Royce has new "chord" fan blades, for example, while Pratt and Whitney has "single crystal" turbine technology to offer. Each pushed ahead fast with other engine developments, and these together into one engine design will be a most difficult task.

Beyond this are problem cost sharing and programme management. The logistics and communications problems will be considerable, spread across the globe from the U.S. to Japan to Europe. There are also problems of winning approval from the Justice Department, which feel that any such consortium not in the U.S. public interest.

Should the talks aimed wider engine consortium fall apart, certain that the participants fall back on their own programmes — Rolls-Royce the Japanese on the RJ-500 Pratt and Whitney on the 632 — and each will be devalued in competition with the wider consortium emerging. Everyone is equally determined not to be left out of the race if it can possibly be avoided.

On the airframe side, a 150-seater venture, there is much discussion on the possibility of wider international collaboration as in the past.

There are at present three groups in the hunt for par although this could be narrowed to two within the next 12 months.

An attempted marriage between McDonnell Douglas, U.S. and Fokker of Holland, the MD-100 design for the seater, has been terminated. McDonnell Douglas (which claims it enough funds to go ahead all has a new design, the D-330 but it is still looking for international partners.

Airbus Industrie, the successful European group, which British Aerospace has per cent stake, is also seeking wider its own consortium to build its own 150-seater, A-320, beyond the existing A-250 seat and A-310 200 designs. It has signed agreement with Australian companies would like to see Fokker into the fold and it is interested in bringing in Aer of Italy, and perhaps also Scania of Sweden, in addition its existing partners, British Aerospace, Aerospatiale France, Deutsche Airbus and CASA of Spain.

The third potential contender on the airframe is Boeing, with "7 Dash 7" design, but with ideas in the background, including further new developments, highly successful 737 design new engines (737-400) perhaps new wings also (500), or a shortened-fuselage (the 757-50).

Boeing is not anxious to such a venture started just however, because it is still committed financially on its generation of new jetliners, the 757, the 767 and 737-300. But working quietly to build up its consortium, both inside the and overseas, perhaps Aeritalia in Europe and Japan.

Everybody, in fact, is in the Japanese, because that is anxious to build up its commercial transport aircraft production capability, and see 150-seater as probably the most profitable venture on which to achieve this expansion. More the Japanese industry is prepared to spend substantial sums to the technological knowledge wants.

If economic recovery is as than many expect, the timing the 150-seater and its could be pushed further into future, say to 1989 or even 1990. Even so, this will still require launching commitment on engine in 1983 and on the competing airframes in 1984 at the latest. Most people the aerospace industry believe launch decisions will be taken the next six to 12 months.

— Financial Times news feature

Oil glut bogs down Western attempt to tap alternative energy

By Nicholas Moore

Reuter

LONDON — In a world unexpectedly awash with oil, the West's bid to tap alternative energy is flagging.

Some qualified observers, such as former U.S. Energy Secretary James Schlesinger, see this as a recipe for disaster. They argue that oil demand will soar again after the current recession and any new Middle East turmoil will provoke a crisis.

West German Executive Director of the 21-nation International Energy Agency (IEA), Mr. Ulf Lantze, sees a danger of complacency. But barring Middle East turmoil, the IEA does not expect that supply constraints in the 1980s, and perhaps the 1990s, will push oil prices high enough to goad a profit-minded West to develop alternative energy on a big scale.

Oil companies made headlines recently when they shelved several multi-billion-dollar ventures for fuels — oil from shale and tar sand — citing higher cost

and lowered projections for future demand and prices.

But Exxon corporation, which shocked the industry by freezing its Gtany Oil Shale project in Colorado, calculates that synthetics could never have met more than five per cent of total world energy demand, even by the end of the century.

Well-placed sources said the IEA is less worried about the blow to synthetic fuels that it is about prospects for coal.

The 1980 Western summit in Venice urged that coal use should double by 1990. Energy officials reported to the recent Versailles summit that it might not even rise by 50 per cent.

Coal has done well, displacing fuel oil as an energy source in the West's electricity generating industry. Fuel oil demand has slumped 11 per cent in Western Europe in two years and more coal-burning power stations are being built.

But coal salesmen have had less success persuading the manufacturing industry to opt out of oil.

Sir Derek Ezra, recently retired chairman of the British Coal Board, has calculated that coal accounts for only about 10 per cent of the energy used by industry in 24 countries of the Organisation for Economic Co-operation and Development (OECD).

Recession has meant that managers cannot find the cash to install coal-fired plants. They increasingly ask why they should have to when the oil industry tells them oil will be plentiful for some years and that price rises are likely to remain modest.

Such forecasts weighed with the oil companies themselves when they shelved such synthetic fuel projects as Exxon's Gtany venture and the \$13 billion Alsands Tar Sands scheme in Canada in which the Anglo-Dutch Shell group and Gulf Oil corporation had stakes.

Low cost oil

"It's a catch-22," said an analyst quoted by the Petroleum Intelligence Weekly (PIW), an authoritative New York trade

newsletter. "When supplies are tight and prices high, these projects look good. But now that they've been put off, oil supplies will tighten and we'll start the cycle all over again."

The PIW noted that earlier estimates suggested it would require a world crude oil price between 40 and 70 dollars a barrel to support a \$3 billion oil shale project.

But since 1980, Exxon's cost estimate for the colony project rose from \$3 to 5 billion while the average crude price actually dropped from \$35 to around 33 a barrel.

And with the proviso that there is no Middle East upheaval, experts do not see it rising high enough to make synthetics viable before 1990 at the earliest. The IEA does not see it higher than \$45 (in 1981 dollars) by the end of the century.

Saudi Arabian Oil Minister Ahmad Zaki Yamani is urging price restraint upon the Organisation of Petroleum Exporting Countries OPEC as a tactic to revive oil demand, kill synthetics

and halt coal's inroads into the OPEC market.

Project scrapped

Aside from the Colony and Alsands ventures, many other projects of varying size have recently been scrapped or shelved.

British Petroleum opted out of a modest pilot scheme by the demonstrating oil-from-coal technology.

Western oil companies backed away from a Nigerian scheme to invest \$14 billion in liquefied natural gas.

European markets, they said, seemed assured of adequate supplies of cheaper, piped gas from Siberia, North Africa and the North Sea. Gas supplies are also abundant in the United States, so much so that massive \$40 billion Alaska Gas Pipeline has been postponed two years to 1989.

Venezuelan Oil Minister Humberto Calderon Berti has said economies have had to be made in plans to develop the Orinoco Heavy Oil Belt, once seen as a major future energy source,

although a target of 200,000 barrels daily by 1988 would still be met.

In conventional oil development of high-cost fields in the British North Sea is being postponed, although companies cite lower crude oil prices as only one factor in their calculations. Their chief complaint is that British taxes are too high.

Nuclear energy continues to advance, with plants ordered up to 10 years ago being commissioned. They are helping coal displace oil in electricity generation.

But the oil glut and the 1979 Three Mile Island accident in the United States have strengthened the anti-nuclear lobby and new plants are not being ordered rapidly enough to please the IEA. It is concerned that U.S. nuclear targets for the 1990s will not be met.

"The political will to implement vigorously policies of structural change must be maintained. We must guard against reading too much into current oil market developments," the IEA's Dr. Lantze said.

French embassy lists given to Lebanon

(J.T.) — The French in Amman issued a list on Sunday listing the French government to alleviate the suffering residents of Beirut and Lebanon. The statement was sent following an aid submitted at the Security Council in 1512 submitted at the of the French gov-

French government has 500,000 French francs to the ICRS to be used in its programme to help Lebanon. It also sent 3,000 tonnes of foodstuffs of additional aid to the U.N. Food and Agricultural Organisation (FAO).

On the collective level, France participated with other countries in collecting 200,000 European Currency Units (ECUs) to send medicines and 500,000 ECUs to the ICRS programme as well as 20,000 tonnes of grain worth 4.5 million ECUs.

The French government has also actively participated, under the protection of the French navy, in the evacuation operations from Lebanon in answer to several requests to this effect. Some 2,000 persons, half of them French and the others from 35 different nationalities, mostly Lebanese, were evacuated in these operations.

On June 14, the French government ordered the vessel Azur to evacuate from Jounieh to Toulon 1,038 persons, including 606 French and 432 foreigners. On June 18, the French navy evacuated from Jounieh 606 persons, of whom 281 were French. The French government then sent a plane which transported them to Paris. On June 20, the French navy evacuated 462 persons, including 68 French, who were then flown from Cyprus to Paris.

Qa agriculture department ns anti-vermin campaign

(Petra) — The Zarqa District Agriculture Directorate has led the farmers in the district to spray all the farms and home and the areas of the Zarqa River, Al Halabbat and, Al with pesticides.

fat replies adhafi

(Continued from page 1)

even one single demon- as staged from the area g from the Atlantic the Arabian Gulf, with ption of the demon- taking place in our territories," Mr. Arafat s message.

LO chief said that the e and Palestinians are by the United States and d this siege is approved, S. envoy Philip Habib Arab and international by the Lebanese sec- and official sides, and as replied to it."

hat these steadfast peo- are waging the longest sell war, were expecting ast the countless Arab ould cover their skies, eir children and women, e freedom of the Arab d lift the siege from this trench of our Arab f this trench falls, God d it will not fall but will and win victory, many the Arab area would fall

in brave Beirut, I hear a from all the steadfast ected to every Arab and ader: What do you want We are here holding out ruined to win victory, ng.

ld remind you, brother r, with the several meet- h took place between us, implemented what we on, the enemy would not ed to do what he is fr-Arafat concluded his Col. Qadhafi.

Number of ships visiting Aqaba since January rises

AQABA (Petra) — A total of 1,184 ships anchored in Aqaba port in the first half of 1982 unloading 3,974,051 tonnes of goods compared to 812 ships unloading 2,901,324 tonnes for the same period last year.

The Aqaba Ports Corporation expects that the port would receive well over eight million tonnes of various goods compared to some six million tonnes last year.

Zarqa reimburses Happy End Co. roll-over list funds

ZARQA (Petra) — The Zarqa District has begun to reimburse the funds of the citizens who purchased roll-overs lists issued by the Happy End Company.

Assistant District Governor Isa Mahmoud, who heads the committee for liquidating roll-over companies in the district, said that the citizens who purchased these

roll-over lists are requested to report to the governorate to receive the funds they had paid as a price for these roll-over lists.

He added that the citizens who purchased the roll-over lists from Al Hadaf Company can be reimbursed at the company when they hand over to the company lists they had purchased.

Ministry to implement 5-year plan projects

AMMAN (Petra) — The Ministry of Social Development plan for the second half of 1982 included the implementation of a number of projects stipulated in the five-year development plan.

The plan for the ministry's Child Affairs Department includes the expansion of the day-time kindergarten in Zarqa and the publication of health educational pamphlets.

The plan for the Local Communities Development Department includes the opening of a centre for developing the local community in Hamlan, opening another centre in Faqqu' Village

in Karak Governorate, implementation of the project of carpet weaving in Madaba and Dhibyan areas, and holding training courses for employees working in the field of developing local communities.

The plan for the ministry's Social Defence Department for the same period includes the establishment of an institute for accommodating beggars, the establishment of a scouts' camp in

'Allan for adolescents in the country, and the establishment of social service offices in Irbid and Zarqa police departments.

April sees rise in money supply

AMMAN (Petra) — The money supply in April, 1981 increased by JD 16,251,000 compared to March 1981, that is from JD 1,248,645,000 to JD 1,264,896,000.

The value of the money issued by the Central Bank in February, 1982 totalled JD 5,675,613.

A statistical bulletin issued by the Central Bank explained that the value of exported currency on February, 1982 totalled JD 444,225,563 compared to JD 438,549,951 for the month before.

King gives iftar banquet at Basman

AMMAN (Petra) — His Majesty King Hussein gave at Basman Palace on Monday evening an iftar banquet in honour of the men of the Armed Forces, Public Security, Civil Defence and Intelligence.

The banquet was attended by His Royal Highness Crown Prince Hassan, Prime Minister and Defence Minister Mudar Badran, the Royal Court chief, the court minister, the chief chamberlain, the commander-in-chief of the Armed Forces, and the directors of Public Security, Civil Defence and Intelligence.

NCC holds session chaired by Acting Speaker Dajani

AMMAN (Petra) — The National Consultative Council (NCC) met on Monday under the chairmanship of Acting Speaker Kamal Al Dajani, Prime Minister Mudar Badran and the cabinet attended.

The NCC heard the government's reply to the inquiry related to the processing plant of the Karak sewage system. The reply said that the economic and technical feasibility studies of the project have been completed.

The NCC referred to the proposals on the poultry industry, the electrification of villages, opening a dirt road between the towns of

Sakhreh and Nu'aymeh Al Jadideh, and storing water underground to the government. It also referred the draft social development laws and the draft educational system law to the Educational and Social Committee.

The NCC then continued discussion on a number of articles related to the Income Tax Draft Law, and approved the articles on the exemption of 50 per cent of the salaries and wages of government employees and those of public enterprises and local authority enterprises from income tax, and the exemption of 25 per

cent of the salaries and wages of private sector employees of income tax, in addition to the exemptions granted to these categories of employees for rent payments, loans spent on building or buying a house, and the sums paid for surgical operations in the country.

The NCC also discussed the articles related to accounting the profits of insurance companies and the profits of land, maritime and air transport activities and the exemptions granted for re-insurance.

Development bank director general back from meeting

AMMAN (Petra) — The Director-General of the Development Bank, Dr. Farhan, returned to Amman Sunday after participating in a second conference of the directors of development banks in the World Bank headquarters in Washington last month.

Dr. Farhan said that participants in the conference, who represent 24 states, discussed several topics, notably the strategic planning for development banks, methods of evaluating and supervising projects, and attracting local and foreign capital for the purpose of national development.

Minister suggests Juwaideh-Muwaqqar-Azraq crossroad

AMMAN (J.T.) — Public Works Minister Awni Al Masri has asked the cabinet to approve the construction of a crossroad on the Juwaideh-Muwaqqar-Azraq at the cost of JD 1 million.

Mr. Masri said the construction of this separate crossroad at the

entrance of the grain silos and above the railroad will resolve several problems and will save a large amount of money if the crossroad is constructed in the future. It will also provide for safe traffic in the area.

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Company seeks a full-time typist. English is a must. Knowledge of French would be an asset.

Tel 43304/43316

WANTED

Japanese company has vacancy for accountant. Applicant must have good command of English.

Please contact Tel: 43683
Kobe Steel Ltd. Amman office
Near 5th Circle.

ANNOUNCEMENT

The Central Tenders Committee for Government Works invites tenders for the construction of Earthworks and drainage structures for Azraq - Al Jafar Highway, Sections A and B.

The following categories of contractors as registered at the Ministry of Public Works can participate in this tender:

1. Local prequalified road contractors provided that they fill in the prequalification form available at the Tenders Section, MPW, and submit it with the prequalification documents in a separate envelope. The financial offer shall be submitted in another separate sealed envelope; both envelopes shall be within one single envelope.
2. Prequalified international contractors, or other interested international contractors provided that they submit their qualification documents which show their ability to execute such work.
- Priority shall be given to international contractors who associate or make a joint venture with a local contractors, who shall share with them all obligations and responsibilities.
3. Tender documents can be obtained from the Tenders Section, MPW, at a fee of JD 300. This fee shall not be refunded to tenderers.
4. Tenderers can tender for any or both sections; but their attention is directed to the fact that the MPW shall not award more than one section to any contractor.
5. Tender documents can be obtained not later than 12 noon, Wednesday 4/8/1982.
6. A pre-tendering conference will be held at the MPW for all participating tenderers at 9 a.m. on Tuesday 10/8/1982.
7. Tenders shall be submitted to the Tenders Section, MPW not later than 10 a.m. Wednesday 25/8/1982.

Chief of Central Tender Committee
for Government Works.
Under-Secretary of MPW

SPIE BATIGNOLLES - JORDAN BRANCH BALANCE SHEET AS AT DECEMBER 31, 1981

	J.D.	Fils	J.D.	Fils
ASSETS				
CURRENT ASSETS				
Cash in hand	261	470		
Cash at banks (Note 4)	37672	330		
Jordan Fertiliser Industry Co. Ltd.	30702	610		
Advances	7156	200		
TOTAL ASSETS	75792	610	75792	610
REPRESENTED BY				
Registered capital in Jordan	279408	880	3600	000
Head Office account - Paris	239616	270	39792	610
Less accumulated losses			75792	610

The accompanying notes to the financial statements form an integral part of these statements.

SITE RESIDENT ENGINEER
Amman, May 22, 1982.

AUDITORS' REPORT

We have examined the balance sheet of SPIE BATIGNOLLES - Jordan Branch (Foreign Limited Co.) as at Dec. 31, 1981 and the related profit and loss statement for the year then ended, and have obtained all the information and explanations which we required for the purposes of our audit.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, and according to the records and vouchers of the company and to the information and explanations given to us, the accompanying balance sheet and profit and loss statement present fairly the financial position of SPIE BATIGNOLLES - Jordan Branch as at Dec. 31, 1981, and the results of its operations for the year then ended.

BAWAB & CO.
ACCOUNTANTS & AUDITORS
Amman

Amman, May 22, 1982.

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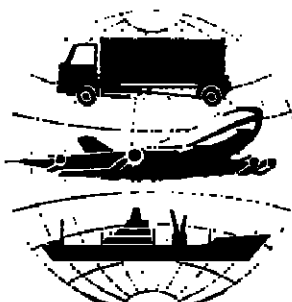
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FEATURES

Moscow stifles 'anti-Soviet' peace movement

By Anthony Robinson

MOSCOW — The Russian word peace, *mir*, is the same word the world and *mir*, *miru* or *ace to the world* "is one of the most and most succinct of all slogans which advertise the communist system to a 260 million-strong captive audience throughout the Soviet Union. But reaction of the Soviet authorities to the birth of a fledgling independent peace movement has been far from enthusiastic. The massive publicity which the Soviet media continue to give to peace movements and mass anti-demonstrations around the world meant it was really only a question of time before someone attempted to follow their example, as has already happened in Germany and Hungary. Given the blanket refusal of the Soviet system to permit any kind of association not controlled by

the Communist Party or its front organisations, however, its repression was similarly predictable.

The official view is that the Soviet Union already has a peace movement and that it is 80 million-strong membership eloquently testifies to the desire of the Soviet people for peace and their support for the peace-loving policies consistently followed by the Soviet Union.

Any attempt to create another peace movement independent of state and party, therefore, could only be considered at best a naive error or at worst a deliberate provocation sponsored by the Western media and anti-Soviet propaganda.

It was against this unpromising background that a group of 11 Soviet citizens invited foreign journalists to a small flat in suburban Moscow on June 4 to announce the formation of a group dedicated "to the establishment of trust between the people

and governments of the Soviet Union and the United States."

In a room crowded with television cameras and reporters Mr. Sergei Batovrin, a 25-year-old freelance artist who, as the son of a Soviet diplomat, spent much of his childhood in the U.S., read out the group's "appeal to governments and peoples of the Soviet Union and the U.S." On the wall behind him was the symbol of the new movement. A dove of peace bearing the trident symbol of the Western disarmament movement.

Squeezed up on rickety sofa and chairs were the other founding members: scientists, mathematicians, a doctor, a philologist, a dentist — in many ways typical representatives of the Soviet intelligentsia. Seven are Jews, and three of the 11 had already applied for, and been refused, permission to emigrate.

All expressed their awareness of the risks they were running in

forming the new group but insisted that they did not consider themselves as dissidents, that the aims of the movement were consistent with the stated aims of the Soviet government and that they had formally applied to the Moscow — the Moscow city council with a request for registration of the new group according to Soviet law.

The appeal itself explained that the group had been formed out of the conviction of its members that the question of war, peace and disarmament was too serious to be left entirely to governments and that ordinary citizens had a right to participate with governments in the search for peace and the establishment of greater mutual confidence.

"Peace cannot be based on fear, but on trust," the appeal stated, and went on to list measures which could be taken to improve trust.

The list included the demand for an uncensored information

bulletin to be published in both countries containing information about disarmament negotiations and peace proposals made by governments and peoples on both sides.

The group announced that on the following weekend the telephones of four members, Mr. Sergei Batovrin, Mr. Sergei Rosenoer and Mr. Vladimir and Mrs. Maria Fleishgaker — would be manned non-stop to accept peace proposals phoned in by Soviet or foreign citizens and that signatories would be sought from supporters of the new movements.

That weekend Mr. Sergei Batovrin's telephone was cut off in the middle of a call from Boston, in the U.S. and the telephones of other members were also disconnected. Since then, the three men have been under house arrest. They and other founding members have been called in by the security police, interrogated and brought before local magis-

trates where they have been accused of illegal and provocative anti-Soviet activities. Arguments that they were merely acting in conformity with expressed policies of the Soviet Union were brusquely dismissed as naive.

Suppression of the movement is in many ways a classic case of Soviet methods of political and social control. The first stage was selection and isolation of the presumed leaders. Then other founding members were called in, interrogated and invited to withdraw their signatures and support.

Later, as the list of supporters rose to around 65, signatories too were called in, especially those whom the police felt were most susceptible to pressure. Typical of these was Mr. Oleg Radzinski, a 23-year-old philology student at Moscow University. He was warned that his studies could be terminated if he did not withdraw.

Another was Mrs. Elena Vakarchuk, a divorced woman from

Odessa, who was told that she could be sent away from Moscow where she now lives and back to Odessa if she did not withdraw her signature from what her investigators told her was a cunningly worded and anti-Soviet document.

Correspondents trying to follow the story at a time when the special U.N. session on disarmament, and large peace and anti-nuclear demonstrations in the West, have made the subject of peace movements generally a "hot" story have been barred access to leaders of the group. They were told in no uncertain terms to "clear off" and not to waste their time on such "unserious people."

"It is only a stunt pulled by people seeking a way to emigrate," correspondents were told during one encounter with a plain-clothes policeman guarding Mr. Batovrin's flat.

Serious or not, the attention given to the group by the

authorities implies the extent of the Soviet determination to prevent any chance of the emergence here of the kind of peace groups which have been able to apply such pressure to Western governments.

So far they must be heartened by the apparent lack of interest in the new peace movement from the West. Virtually the only recognition so far has come from President Ronald Reagan himself, who referred to it in his speech to the U.N. disarmament conference.

"At the very time the Soviet Union is trying to manipulate the peace movement in the West, it is stifling a budding peace movement at home," he told assembled delegates. The echo has yet to return.

— Financial Times news feature

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SPORTS

Tennis, to Connors, is a 'kill or be killed' affair

LONDON (R) — Tennis, to American Jimmy Connors, is a battle to the death, a "kill or be killed" affair with no quarter given.

For sheer drive and aggression, he is hard to beat and it is this, probably more than anything, that brought him a second Wimbledon men's singles title over defending champion John McEnroe of the United States Sunday.

One player who lost to him at Wimbledon this year said he was like a shark scenting blood, diving in for the kill as soon as he sensed an advantage.

He finally got that advantage over McEnroe in the fifth set of their four-and-a-quarter hour centre court battle and completed the kill with the clinical efficiency of a top class matador, winning 3-6, 6-3, 6-7, 7-6, 6-4.

Matches between Connors and McEnroe are always intense affairs, and this was no exception. But for the first three sets, the strokes of genius from McEnroe and the occasional brilliant

exchange of drives and volleys only served to highlight the mediocrity of much of the other play.

But after the third set tie-break, the match came alive.

Connors had served seven double faults in that set—"I almost double-faulted the match away," he said later—and McEnroe was beginning to find a threatening rhythm on his service.

But from then on Connors served only three more double faults, including one on his first match point, and the long-awaited battle between the brilliant service returns of Connors and the almost unreturnable serving of McEnroe began.

McEnroe served 19 aces in the match, most of them in the final two sets and the last to keep alive his hopes of winning in the ninth game of the fifth.

But somehow Connors, who served 13 double faults in all and no aces, kept the pressure on.

McEnroe, who also lost the men's doubles title he held with

American Peter Fleming, said he did not think he had done anything particularly badly during the match. "But I don't think I did anything particularly great either."

He said the court, which has had a lot more use this year because of the rain which crammed most of the matches into the second week, was a little rough and produced some bad bounces. "I tried to win, there's no doubt about it," he added sadly.

Later Sunday John McEnroe said he lost his title to Connors "because I wasn't able to rise to a higher level in the fifth set."

"I needed to be able to break his serve in the final set and I couldn't do it. I could not get my adrenaline flowing. I felt it more in the fourth set," the deposed champion added.

A tired looking McEnroe then spoke to the press in the Wimbledon interview room.

"I didn't feel too bad in the fifth set, but I wasn't as fresh as a daisy either," said McEnroe, who has played five singles and five doubles matches this week. "I certainly didn't feel too hot in the doubles."

"The adrenaline flows when you're ahead. When you're behind you're more likely to get down on yourself," he said.

McEnroe, 23, was not excited about how he played. "I don't think I did anything that badly, but I didn't do anything that well either."

"I should have put more pressure on his serve. But it was windy out there and the ball was bouncing badly because the court was a little scuffed up, and it was difficult to step in and attack it."

"I feel it is too bad I didn't win. I enjoyed it more this year and it's a pity it didn't end better. It was important to win last year because there was so much else going on. This year it would have been nice to win, too."

McEnroe had a lot of praise for Connors. "He served pretty well. I knew he would be putting pressure on me. He served a lot better in the last two sets and he came up with the big points at the end."

"I respect him for his determined attitude and I think he respects me as well. That's why we have such good matches."

"He and Bjorn Borg are the two players I'm most able to get pumped up for."

McEnroe said he was pleased that the All-England Club, who stage the tournament, had invited him to become an honorary member.

"Yes, I'm pleased. They've made an effort to be nice this year and I appreciate that fact."

Pryor retains WBA title

CINCINNATI (R) — World Boxing Association (WBA) lightweight champion Aaron Pryor of the United States retained his title Sunday when the referee stopped his contest with Japan's Akio Kameda in the sixth round.

Pryor recovered from a surprise knockdown in the first round to unleash a furious barrage of punches.

He scored repeatedly with a thunderous right hand, floored Kameda twice in the second round, once in the third and twice more in the sixth before Mexican referee Ernesto Magana stopped the fight.

The undefeated champion, who now has 31 victories including 29 knockouts, said afterwards that the only time he had been bothered by his southpaw opponent was when he was butted in the right eye in the fourth round.

"I'm just glad his punches were not as strong as his head was," Pryor said.

Pryor took home \$90,000 and Kameda \$50,000 from the fight.

Immediately after the match, promoter Bob Arum announced that Pryor had signed to defend his championship against lightweight titleholder Alexis Arguello in October. Arum said the exact date and site of the fight would be announced within a few days.

Rossi puts Brazil out of finals

BARCELONA (R) — Italian centre-forward Paolo Rossi ripped apart the World Cup form book Monday with a brilliant burst of scoring that put favourites Brazil out of the finals.

Rossi, who returned to action only last April after a two-year suspension for his alleged involvement in a betting scandal, scored all three goals in Italy's nerve-tangling 3-2 win over the three-time champions.

It was a result that sent the Italians through to a semi-final meeting with Poland in Barcelona's Nou Camp stadium on Thursday and, almost unthinkingly, sent the Brazilians home empty handed.

Brazil, the most exciting team in the world and needing only a draw to qualify, were widely regarded as favourites. Rossi, with the invaluable assistance of a dithering Brazilian defence, ignored that script.

Three appalling defensive errors presented Rossi with gift goals in the fifth, 25th and 74th minutes.

Brazil's shooting also let them down and goals by Socrates and Falcão in the 12th and 68th minutes were all they had to show for a tapestry of dreamlike moves.

The Brazilians appeared to take stage fright and quickly fell behind to a goal they should have never allowed.

There seemed to be little danger when Antonio Cabrini swung over a harmless-looking cross from the left touchline. But Brazilian goalkeeper Valdír Peres and his defenders all decided to leave the ball to one another and the unmarked Rossi gleefully headed home.

Italy's joy was shortlived. Seven minutes later the strutting Socrates worked a lightning exchange of passes with Zico and beat Dino Zoff at the near post from a narrow angle.

The following 13 minutes turned into a football circus as the Brazilian ball-jugglers went through their entire repertoire of tricks.

But the Brazilian clowns, in the guise of defenders, entered the arena for a second time in the 25th minute. Cerezo, standing at the corner of the box, had all the time in the world to clear the ball to safety but inexplicably rolled a "perfect" pass into the path of Rossi.

The young striker, showing no signs of ring rustiness after his lay-off, accepted the offering with a firm right-footer from 18 metres.

It was not until the 68th minute that Brazil, who beat Italy in the 1970 final, regained the initiative with a second equalising goal. Falcão, who plays for Italian club Roma, meandered across the edge of the box and unleashed an

explosive left-footed shot past Zoff.

But the clowns were not to be denied top billing. Six minutes later the Brazilian defence made a terrible hash in trying to clear a corner and Rossi pounced to secure a famous Italian victory.

Brazil came close to matching the equaliser which their supporters craved on a number of occasions. But whenever the 40-year-old Zoff appeared to be in trouble, there was always a leg, chest or shoulder in the way.

Zoff had one fine save from a powerful Socrates header, watched a Falcão rocket ricochet off sweeper Gaetano Scirea to safety and stood rooted as another Falcão shot slid tantalisingly past a post.

Zoff and defenders alike were all hopelessly beaten by one cute Zico freekick but the ball snacked the crossbar.

Italy, too, had chances to increase their tally. In the 49th minute Bruno Conti was left with only Valdír Peres to beat but he trundled his shot meekly past the post.

The only blot on Italy's day was the first-half booking of full-back Claudio Gentile for a series of fouls on Zico. It was his second in consecutive games and he will miss Thursday's match against Poland.

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هكذا حلت القصة

OECD forecasts lower growth, higher deficit for U.S. economy

RIS (R) — The Organisation for Economic Cooperation and Development (OECD) in its first assessment of the U.S. economy since President Reagan was elected, forecasts sharply lower economic growth than the administration and a larger budget deficit.

The OECD also forecasts that the real U.S. Gross National Product (GNP) will rise 3.5 per cent between the fourth quarter of 1981 and the fourth quarter of 1983, compared with the official estimate of a 5.2 per cent rise.

The OECD also forecasts that the federal government budget deficit will show a \$147 billion deficit in the period compared with the U.S. government's figure of a \$118 billion deficit.

The OECD put the U.S. unemployment rate at 10 per cent of the civilian labour force in the last quarter of 1982, falling to 9.8 per cent in the end of the 1983 quarter, against government estimates of 8.4 per cent and 7.6 per cent respectively.

For calendar 1983, it said the GNP should rise 2.2 per cent after a 1.4 per cent fall this year, the unemployment rate will rise to 10.1 per cent from 9.5 per cent and the current account balance of payments will move into a \$5.4 billion deficit from an \$11.4 billion surplus.

It said interest rate forecasts are a key element but also an area of particular uncertainty.

Long term interest rates should come down by more than 200 basis points from 15 1/4 per cent at the start of 1982 to 13 1/4 per cent at the end of 1983 in a movement broadly in line with a decline in the underlying rate of inflation to 6 1/2 per cent from 9 per cent.

Between the fourth quarters of 1982 and 1983, it forecast that the prime rate should fall to 16.5 per cent from 17.5 per cent and interest rates on new corporate bonds would drop to 13.3 per cent from 14.2 per cent.

The OECD concluded that more flexibility was needed in monetary policy than recent pronouncements and target ranges had suggested.

Meanwhile U.S. Budget Director David Stockman said Sunday the United States was pulling out of recession. He predicted the effects of President Reagan's economic policies would be felt within the next year.

Mr. Stockman said the administration had succeeded in taking the economy "off its inflationary binge" and had stabilized prices.

"Our other goal was to reduce the tax burden, the regulatory burden, so that we could have stronger growth of investment, employment and real prosperity," he said in a television interview.

Mr. Stockman said of the economic policies: "Their effect is yet to materialise, but we are now pulling out of the recession..."

those policy changes will have their impact."

Asked why the Reagan economic programme had not worked, he replied: "I think a year from now you might probably phrase that question differently."

Mr. Stockman conceded that continued high interest rates would be a drag on economic recovery.

"We are certainly going to do what we can over the next year to bring them down," he said.

Senate Finance Committee Chairman Robert Dole said later that economic recovery depended largely on Congress.

"If we do what we should do, they (the American people) can expect a quicker recovery. If we continue to delay on the budget reductions and certain tax increases, the deficits will stay high, interest rates will stay high and people will still be out of work," the Kansas Republican said.

Senator Dole, interviewed on the same programme, said Congress had to put meat on the bones of the 1983 budget it passed recently after five months of bitter fighting with the White House.

The spending plan forecasts a \$103.9 billion deficit. It would also cut domestic social programmes sharply.

"The American people have a right to expect that we do something... and do it very quickly," Mr. Dole said.

Arab fund to finance Syrian highway

KUWAIT (OPENCA) — The Arab Fund for Economic and Social Development (AFESD) has extended a loan of \$21 million to Syria to finance a highway project.

The Tartous-Latakia project aims at providing a four-lane express highway connecting the main ports of Tartous, Latakia and Banias. It will relieve traffic congestion on existing roads and provide a better connection between the agricultural, industrial and coastal regions and the rest of the country.

The highway will also link Syria with Lebanon

and Turkey and facilitate the movement of goods to the Gulf countries.

The total cost of the project is estimated at about \$178 million. The Syrian government will provide part of the funds.

The loan agreement was signed by Mr. Hammed Marie on behalf of the Syrian government and Dr. Mohammed Al Imadi, AFESD director general.

Fund assistance to Syria now stands at \$132.15 million.

Employment policy is the secret of W. Germany's success

NN (R) — West Germany's less rate is low compared with other Western countries and it has managed to keep down youth unemployment but for many youngsters jobs are still hard to come by.

According to recent official figures, the federal republic not only has the third lowest jobless rate in Europe after Greece and Luxembourg but it also has the smallest proportion of young people on dole.

Only about 22 per cent of West Germany's 1.6 million jobless are under 25, compared with 36 per cent in Britain and almost 50 per cent in Italy.

A government employment policy that gives special priority to young people is the expensive secret of German success.

When national unemployment hit 1.9 million in February, the highest level in 26 years, Chancellor Helmut Schmidt, under pressure from the trade unions, announced a 12.5 billion mark (\$5 billion) job creation programme.

The plan, aimed primarily at promoting private investment, included 400 million marks (\$160 million) for improving youth training and employment opportunities in the next three years.

Since the majority of young people out of work for a long time have few or no qualifications, Bonn's main objective is to provide better training to improve their job chances.

Industry provided some 500,000 apprenticeships last year and the government is coxing firms to do still more. But

businessmen say young people are too choosy.

Several state schemes encourage youngsters to make the best use of their period of unemployment so that they can later be integrated more easily into the working world.

For example, youngsters under 22, who have been out of work for three months or longer, can apply for financial aid to complete a formal education or acquire skills which could improve their employment prospects.

Those who live at home receive 275 marks (\$110) a month plus transport costs and books for up to one year under this programme.

Young foreigners get government aid ranging from language courses to vocational training, aimed at helping integrate the

children of immigrant workers.

The government, in close cooperation with private industry, has established public vocational schools to teach apprentices in small and medium-sized businesses broader skills than those learned at often highly specialised firms. Bonn thus shares part of the financial and educational burden.

But not all government programmes have been a success.

Many of the young women who took part in the experiment "girls in male professions" could not find jobs after completing their training.

Participants interviewed by the magazine Stern expressed great disappointment that West German employers were clearly still unwilling to hire female steel

workers or car mechanics.

Another problem is that while government schemes delay the entry of young people into the labour market, they cannot guarantee their subsequent employment.

Critics argue that creating training schemes when there are no jobs afterwards does not solve the problem, and merely raises hopes which in many cases are disappointed.

Bonn Teacher Werner Fries highlights the problems facing school-leavers when he says "some of my pupils have sent out more than 25 job applications and got nothing but rejections."

This tight jobs market, coupled with government policies, has led to an education boom in West Germany.

School-leavers unable to find jobs go to university hoping this will enhance their chances of finding high-paying jobs. But now more and more graduates have problems finding a job in their field.

A spokeswoman for the youth, health and family affairs ministry said the number of "over-qualified" youth has become a problem.

"But the government is not changing its policies. We still encourage young people to pursue their education," she said. "They will just have to alter their views about education."

"Certain degrees do not guarantee certain income levels any more," she said. "The value of an education should not be measured in money alone."

Nigeria doubles profit margin on crude oil producing firms

AGOS — Nigeria has doubled to \$1.60 a barrel the profit margin taken by companies that produce its crude oil following pressure by the companies over more than two years, well-informed sources said Sunday.

The sources said the companies now felt "a bit more cheerful about the longer term". The Anglo-Dutch Shell Group and Gulf Oil Corporation are among companies that operate in Nigeria.

The sources said the government had also agreed to raise allowed technical costs by 50 cents to \$1.60 a barrel to help the companies meet rising production costs.

The companies complained of losing money and pressed particularly hard for a higher margin when Nigerian crude oil, priced at an above-average \$35.50 a barrel, proved hard to sell in the recent oil glut.

LONDON STOCK MARKET

LONDON (R) — Leading shares rallied from a cautious start with electricals again the outstanding sector, dealers said. The F.T. index at 1500 Monday was up 3.1 at 546.1.

Concern about the effects of the national rail strike were pushed into the background by a strong performance in government bonds which ended as much as 1/4 point higher at the long end. The government broker supplied the short "tap" stock at £30-1/4.

In electricals, GEC rose 7p to 994 after 982 and Racal, trading ex dividend at the start of the new account, ended unchanged at 448 after 441. U.S. and Canadian shares were quietly mixed.

In oils, Shell, Tricentrol, Ultramar and Lasso rose 2p or 3p but BP was still depressed by the scaling-down of subsidiary Sohio's stake in the Prudhoe Bay field and ended 2p lower at 272 after 268.

Guinness Peat, restored to listings after the proposed sale of its commodity interests, ended at 48p against the pre-suspension level of around 60p.

Trading in South African gold shares was inhibited by further reports of unrest amongst black miners and the prospect of a strike by white miners but the undertone was firm due to the slightly higher bullion price, dealers said.

LONDON EXCHANGE RATES

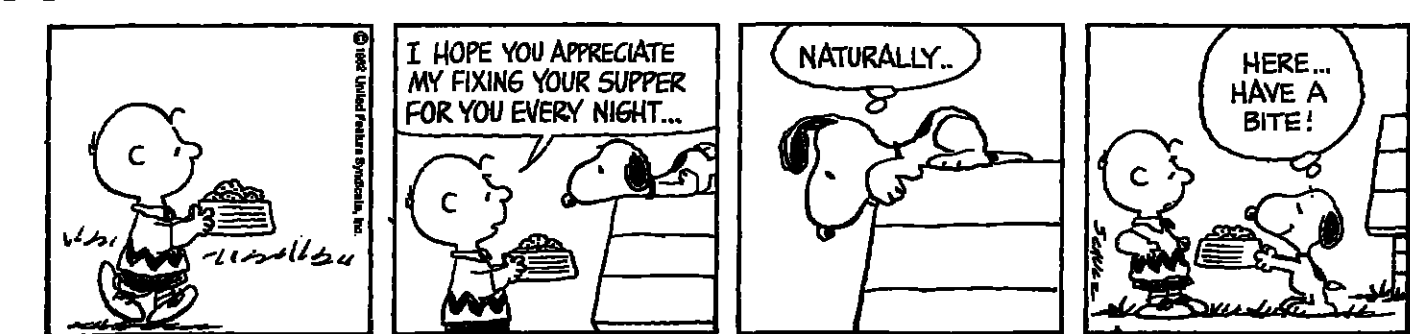
LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midday on the London foreign exchange and bullion markets Monday.

One sterling	1.7335/45	U.S. dollars
One U.S. dollar	1.2825/35	Canadian dollars
	2.4715/25	West German marks
	2.7300/20	Dutch guilders
	2.1050/65	Swiss francs
	46.21/24	Belgian francs
	6.8550/8600	French francs
	1387.95/1388.45	Italian lire
	256.80/95	Japanese yen
	6.1300/70	Swedish crowns
	6.3650/70	Norwegian crowns
	8.5400/15	Danish crowns
One ounce of gold	315.20/70	U.S. dollars

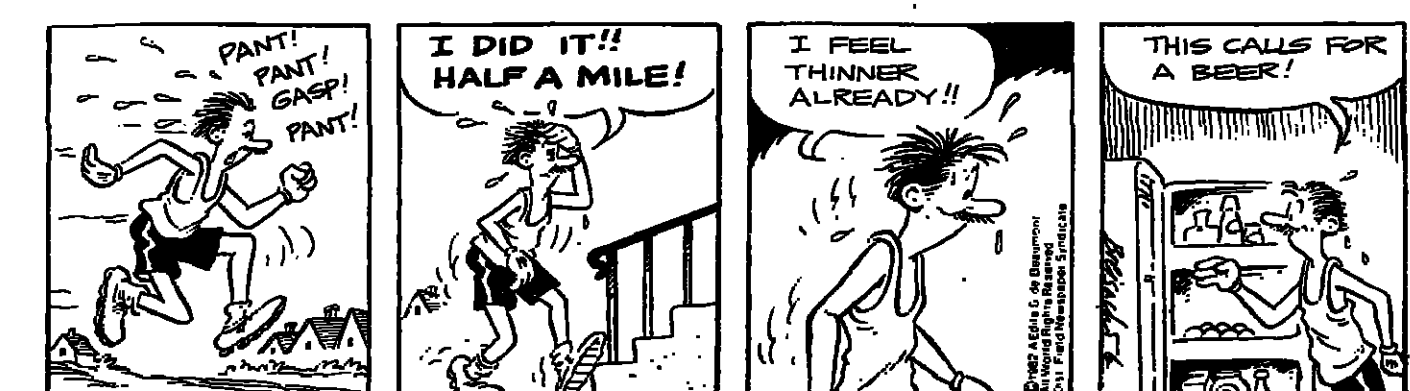
THE BETTER HALF. By Vinson



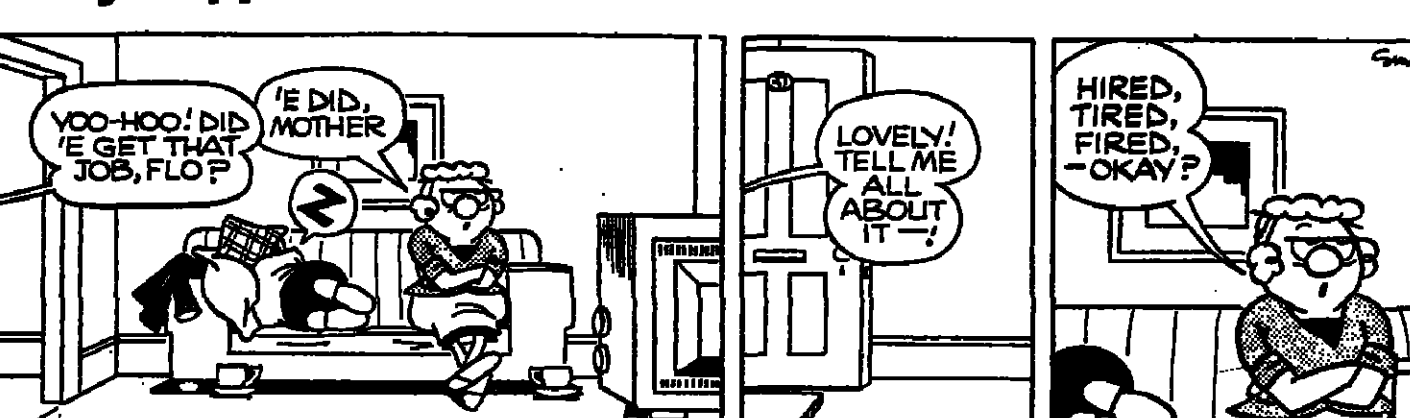
Peanuts



Mutt 'n' Jeff



Andy Capp



FORECAST FOR TUESDAY, JULY 6, 1982

YOUR DAILY Horoscope from the Carroll Righter Institute

GENERAL TENDENCIES: Quick action is needed to put in motion the decisions you've made the past several days. Unexpected conditions arise and you can easily display your talents at this time.

ARIES (Mar. 21 to Apr. 19) Put those fine ideas to work quickly and gain the aims that mean much to you. Follow your hunches, which are good now.

TAURUS (Apr. 20 to May 20) Make long-range plans to add to present abundance. Being more cooperative with co-workers brings fine results now.

GEMINI (May 21 to June 21) Try to please associates with whom you've had some difficulty in the past and come to a better understanding.

MOON CHILDREN (June 22 to July 21) Study how to improve your social standing in your community and gain added prestige. Don't waste time foolishly.

LEO (July 22 to Aug. 21) The planetary aspects will give you an opportunity to accomplish a great deal today. Use modern methods at work.

VIRGO (Aug. 22 to Sept. 22) Money matters could be depressing early in the day but clear up later if you use good common sense. Be more confident.

LIBRA (Sept. 23 to Oct. 22) Find out what expectations of close ties are and try to please them more. Plan to spend more time at home.

SCORPIO (Oct. 23 to Nov. 21) Study your monetary affairs well and know how to improve them in the near future. Show that you have ability.

SAGITTARIUS (Nov. 22 to Dec. 21) Be more concerned with personal problems instead of doing so much for others at this time. Avoid extravagance.

CAPRICORN (Dec. 22 to Jan. 20) Analyze every phase of a new plan you have and then you can make it operate most successfully. Be an optimist.

AQUARIUS (Jan. 21 to Feb. 19) The planets make it possible for you to be your most gregarious self at this time. You can easily gain your aims.

PISCES (Feb. 20 to Mar. 20) Make allowances for loved one who could be in a bad mood now. The evening can be a most happy one. Don't neglect bills.

IF YOUR CHILD IS BORN TODAY... he or she will most articulate and should have the education directed along lines where this gift can be used to advantage, such as teaching. Your progeny will study varying philosophies of life and will profit by them.

"The Stars impel, they do not compel." What you make of your life is largely up to you!

THE Daily Crossword by Norton Rhoades

ACROSS

1 Lassos

6 Pain

10 Owns

13 In any way

14 Inlets

15 River in Maine

16 Cinema

17 Loosen

18 Two-toed sloth

19 Notice

20 — alla

22 Drink of liquor

23 Venetian judges

25 O.T. book

27 Big — (cannon)

29 Ahead of

30 At — (be-wildered)

31 Brightly lit streets

35 Cote sound

36 Architecture style

37 After Aug.

38 At sea

41 — of roses

43 Inventor of farm machines

44 Big name in gyroscopes

45 Ran before the wind

48 Digestion prefix

49 African capital

50 Authored

52 Part of a rug

55 A Johnson

56 Confinement, in England

57 Quickly

59 Egyptian goddess

60 Different

61 Way

62 Born

63 — out (supplements)

64 Of bristles

DOWN

1 Batters

2 Amerind

3 Smooth driving place

4 Wallace

5 Christmas vehicles

6 Touches

7 Malacca

8 Water vehicle

9 Within

10 Vietnamese capital

11 South American fish

12 Travel direction in winter

15 Insectivorous herb

21 Tobac. org.

22 Orange-red stone

24 Military org.

26 British way to cross Atlantic

27 Hindu title

28 Enthusiasm

29 Palmer

31 Atlantic City way

32 Space traveler

33 Twelvemonth

34 Agile

36 Words of understanding

39 Whirlpools

40 Cincinnati team

41 Seems

42 Vietnamese holiday

44 Tennis unit

45 Stigma

46 Anathema

47 Looses

48 Natives of Gdansk

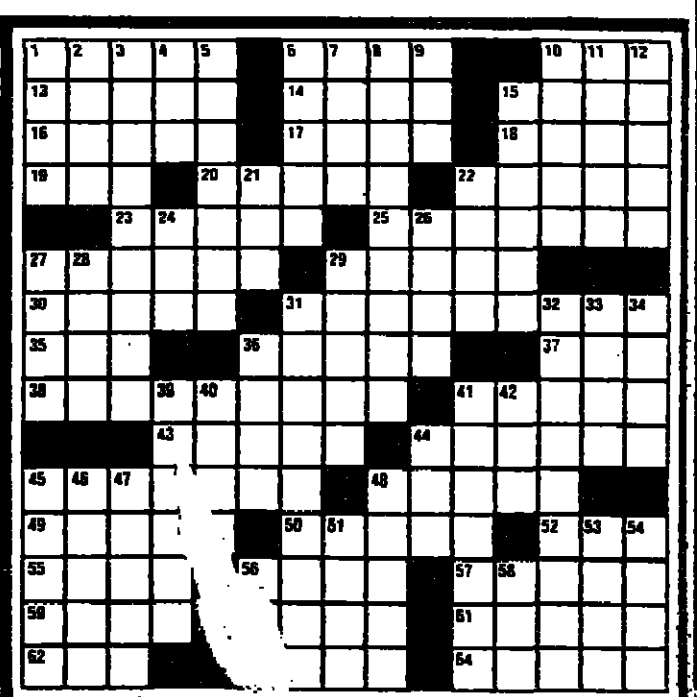
51 Rambler

53 Things done

54 Blind

56 — whiz!

58 "Raven" poet



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WORLD

Paris says Spanish entry into NATO problematic

LISBON (R) — French Defence Minister Charles Hernu says Spain's recent entry into NATO will cause problems of command and coordination for France and Portugal which should not be underestimated.

Mr. Hernu, speaking at a dinner in his honour here Sunday night, said Portugal and France faced "difficulties that should not be underestimated though each is of a different nature."

He said Spain's membership had repercussions on Portugal's position in NATO, particularly in relation to the distribution of responsibilities within the alliance's overall command structure.

But he added that, in this context, "Portugal's Atlantic vocation

is incontestable."

Portugal, which houses the headquarters of NATO's Iberian Atlantic command, has expressed fears that the entry of its powerful neighbour will diminish its own importance and wants Spain to be integrated into a different European command.

Mr. Hernu said Spain's entry caused delicate problems of coordination for France which, instead of being on the west side of the Central European theatre, will become sandwiched between Spain and West Germany.

"In time of peace as in time of crisis or conflict, this will pose delicate problems of coordination between France, its independent defence organisation and NATO's modified integrated military struc-

ture," he said.

Portuguese Defence Minister Diogo Freitas do Amaral, due to have talks with Mr. Hernu Monday, said Spain's entry was important and positive in reinforcing NATO's defensive capabilities.

But he added: "Cohesion between allies can only be achieved if the rights and responsibilities of each are defined and regulated justly in a balanced way and scrupulously respecting the principle of unanimity."

The ministers said they would be discussing cooperation in armaments development and a French-leased missile-tracking base in Portugal's Azores Islands in the Atlantic Ocean.

Adm. Woodward cites case of Argentine panic



The skull and crossbones flag flies over the conning tower of the British hunter-killer submarine HMS Conqueror as it returns to its base at Faslane on Gareloch from the Falklands conflict. (A.P. wirephoto)

OXFORD, England (R) — The British naval commander in the Falklands conflict said on his return to Britain that more than 300 Argentines were killed when one of his submarines sank the cruiser General Belgrano on May 2 because the Belgrano's escorts ran away.

"The reason there was a lot of loss of life on the Belgrano was that her escorts ran away," Rear-Adm. John Woodward told reporters Sunday. "This is something less than I would hope to see from anybody in terms of honourable conduct," he said.

Conqueror, the nuclear-powered submarine which sank

the General Belgrano, returned to Scotland at the weekend flying a skull-and-crossbones flag, to denote a "kill".

The Times newspaper reported Monday that it was thought unlikely in London that the submarine's commander and crew would be reprimanded for the incident.

Meanwhile, the Daily Telegraph correspondent in Port Stanley reported that nine Polish fishermen, who jumped ship separately off the Falklands capital only to become trapped by the fighting, were still on the islands Sunday night.

Kampuchean coalition agrees on secret base

BANGKOK (R) — Prince Norodom Sihanouk, leader of the new coalition of Kampuchean resistance groups, and his two coalition partners have agreed upon a secret site in western Kampuchea for the seat of the government, diplomatic sources said Monday.

Prince Sihanouk, who arrived in Bangkok on Saturday for a three-day official visit, Sunday met Son Sann, leader of the Khmer Peoples National Liberation Front (KPNLF) and Khieu Samphan, head of the ousted Khmer Rouge government, the sources said.

The three, who formally announced the anti-Vietnamese coalition in Kuala Lumpur on June 22, will meet later this week at an undisclosed location on Kampuchean soil to found the government, the sources said.

Miners riot again in S. Africa

JOHANNESBURG (R) — Fresh trouble erupted Monday among black goldminers near Johannesburg when thousands of them rioted, throwing stones and burning down a shop, mine spokesmen said.

The spokesman said the workers at the Kloof mine stormed out of their hostels where they had been confined since minor disturbances Sunday night.

One official said a major part of the black workforce appeared to be involved and mine police used teargas against them.

South African police were also ordered into the mine area.

The new outbreak followed disturbances at four other mines in the Johannesburg area over the weekend in which at least six people were reported killed.

Work at those mines said by spokesmen to have returned to normal Monday.

A police spokesman in Pretoria said there were no reports of casualties in Monday's disturbances. The riots began last Thursday.

A Kloof spokesman said there had been no production at his mine since Sunday night when minor unrest began.

MIDDLE EAST NEWS BRIEFS

Qotbzadeh to go on trial this week

LONDON (R) — Former Iranian Foreign Minister Sadeq Qotbzadeh, accused of murdering a plot to overthrow Iran's clerical government, is to go on trial this week, Tehran newspapers reported Monday.

The evening newspaper Kayhan quoted Hojatoleslam Mohammad Reza Shahri, head of Iran's military tribunals, as saying that Mr. Qotbzadeh's trial would probably begin on Saturday.

Hojatoleslam Reza Shahri is handling cases against members of a monarchist group arrested with Mr. Qotbzadeh last April and imprisoned pending trial for their alleged role in the conspiracy.

Speaking on Iranian Television shortly after his arrest, Mr. Qotbzadeh confessed to his involvement in the plot, which included plans to blow up the North Tehran house of revolutionary leader Ayatollah Ruhollah Khomeini. If convicted of the charges, Mr. Qotbzadeh and the monarchists would face possible death sentences. Mr. Qotbzadeh is a former aide of Ayatollah Khomeini. He was foreign minister in 1979 during the captivity of U.S. diplomats in Iran.

Polisario claims success against Moroccan troops

PARIS (R) — Polisario guerrillas fighting for control of the Western Sahara said Monday they had inflicted heavy damage in fighting with Moroccan troops on Saturday. A communiqué from the Polisario office of the Algerian-backed guerrillas said about 150 Moroccan troops were killed or injured in the battle around the Saharan town of Smara. It said 32 cannon-equipped Land Rovers were also destroyed.

Arab group due to meet Cheysson

PARIS (R) — Algerian Foreign Minister Ahmad Taleb Ibrahimi arrived in Paris Monday as a member of an Arab delegation due to have talks with French Minister of External Relations Claude Cheysson. Arab diplomats at the airport to greet Mr. Ibrahimi would not say what the group would discuss with Mr. Cheysson. They said Mr. Ibrahimi would be joined later this evening by Rashid Abdullah Al Nuaimi, minister of state for foreign affairs of the United Arab Emirates, and Farouk Kaddoumi, head of the Palestine Liberation Organisation (PLO) political department. The three-man delegation is part of a major diplomatic offensive by Arab states to secure a withdrawal of Israeli forces from Lebanon.

N.Yemen denies report of rebellion

ABU DHABI (R) — North Yemen Monday denied reports which quoted diplomatic sources in Beirut as saying that a tribal rebellion had broken out against President Ali Abdullah Saleh. "The report is baseless and a figment of their imagination. The situation in the Yemen is peaceful," the North Yemen embassy in Abu Dhabi said in a statement. The diplomatic sources in Beirut were quoted as saying last week that the rebellion was launched on June 26, by the Bakil tribe, the largest in the country. According to the sources, the trouble began when the president decided to dismiss some 2,000 army officers belonging to the Bakil tribe and replace them with men from the Sanhan tribe, to which the president himself belongs.

New Greek cabinet sworn in

ATHENS (R) — The Greek cabinet, reshuffled over the weekend to deal with pressing economic problems, was sworn in before President Constantine Karamanlis Monday before holding its first meeting. Prime Minister Andreas Papandreu has said the main task of the new cabinet will be to solve problems such as an inflation rate of over 20 per cent, lack of investment and unemployment. The reshuffle is the first major government change since Mr. Papandreu's Panhellenic Socialist Movement (PASOK) won by a landslide in last October's elections.

Portillo's man wins easily in Mexico

MEXICO CITY (R) — Miguel de la Madrid Hurtado, candidate of the ruling Institutional Revolutionary Party (PRI), has coasted to an easy victory in Sunday's Mexican presidential elections in his first bid for an elected post.

Mr. de la Madrid, a 47-year-old financial expert who holds a master's degree from Harvard University, is essentially a technocrat who has emerged successfully from Mexico's bureaucratic labyrinth.

He is a close friend of outgoing President Jose Lopez Portillo, a considerable advantage under the unique Mexican political system which bestows near-dictatorial powers on the head of state, including the unwritten privilege of choosing a successor.

Mexico, while technically a democracy, is effectively a one-party state, and the PRI's endorsement of Mr. de la Madrid guaranteed his triumph despite his lack of political experience.

The announcement of his candidacy last September sparked murmurs of discontent within the PRI's powerful labour sector which would have preferred a

more overt "politico" as the next president.

Diplomats and political analysts said Mr. de la Madrid, a former chief of foreign credit and planning and budget minister, was likely to prove a more conservative president than Mr. Lopez Portillo.

"Mr. de la Madrid is a financial conservative by training and we can look for less emphasis on economic growth and more on lowering inflation and balancing the budget," one diplomat said.

This view, widely held here, was reinforced by the reaction of the local stock market on the day Mr. de la Madrid's nomination was announced. It shot up by 40 points.

PRI leftists and nationalists — the "conscience" of the party — were not overjoyed by their candidate's association with the United States.

Mr. de la Madrid's official biography does not mention that his degree in public administration was gained at Harvard and he is now reluctant to demonstrate his fluency in English.

The eradication of widespread

corruption — a national pastime of stupendous proportions in Mexico — was one of the main planks in his electoral platform.

Such declarations by PRI candidates are customary at the six-yearly presidential elections, but diplomats and analysts said Mr. de la Madrid, known for his quiet life-style and lack of business interests, looks more determined than most to fulfil his pledge.

His speaking style improved during the marathon nine-month campaign and an increasing public emphasis on curing the country's chronic social injustices silenced most of the whispered complaints by PRI leftists.

Mr. de la Madrid comes from a provincial middle-class family which moved to the capital when he was still in his infancy, after the death of his father.

A handsome, stocky man with thick greying hair, Mr. de la Madrid is married to Paloma Cordero and has five children.

He lives in the exclusive Coyacan district of Mexico City and has relatively simple tastes, his main luxury being an impressive book collection.

Reagan sees Pentagon playing major role in future U.S. space exploration

SANTA BARBARA, California (R) — President Reagan's decision to give the Pentagon a major role in space exploration will protect Western security while avoiding an extra-terrestrial arms race, administration officials said Monday.

Mr. Reagan emphasised the military use of space in a policy statement he issued Sunday as he personally welcomed the Columbia space shuttle astronauts when they landed at Edwards Air Force base in California after a week-long mission.

Astronauts Ken Mattingly and Henry Hartsfield made a perfect landing on a concrete runway on a dry desert lakebed to the cheers of some 500,000 spectators on the 20th anniversary of U.S. independence.

The president, who returned to his Santa Barbara ranch after greeting and praising the two men,

called for a permanent U.S. presence in space.

But he did not endorse the hopes of NASA, the civilian space agency, for construction of a manned space station. Nor did he say how his overall space policy would be carried out.

Instead, Mr. Reagan said in his statement that national security was a peaceful pursuit and a prime objective of America's space programme.

He announced that NASA and the Defence Department would be jointly responsible for a new launching agency, the space transportation system, which would use the shuttle for further civilian and military exploration.

Mr. Reagan said the U.S. would continue to develop means of killing hostile satellites that could endanger the security of the United States and its allies. It would also develop an attack

warning system to meet threats to U.S. space systems.

The policy statement, issued as a presidential directive after a 10-month study by the national security council, was written in broad terms and gave no details of future plans.

There was no indication whether defensive weapons aimed at meeting threats from space would be deployed in space or on earth.

A senior U.S. official who briefed reporters at Edwards Air Force base said presidential decisions had not been made on the shape and scope of future military and civilian space exploration.

Columbia will take off again in November to launch two space satellites and open a regular shuttle service expected to grow to four spacecraft and two flights a month by 1988.

Dominican leader's death reportedly accidental

SANTO DOMINGO (R) — President Antonio Guzman of the Dominican Republic died in hospital Sunday after a bathroom shooting incident in which his gun went off and fatally wounded him, his son-in-law said in a statement Sunday night.

Jose Maria Hernandez, administrative secretary at the presidency, said that President Guzman, 71, had apparently dropped his own gun while in a bathroom adjoining his office in the presidential palace on Saturday night.

Mr. Hernandez, who was in the office at the time along with Defence Minister Mario Imbert McGregor and other military officials, added "the president had entered the bathroom and appar-

ently his revolver fell to the ground."

Gen. McGregor said that the president had died after an accident in which a bullet penetrated his right chest.

Mr. Hernandez said he had died after six hours and had been replaced as head of state by Vice-President Jacobo Majluta.

Mr. Guzman, the first leader of the Caribbean republic to assume office peacefully in 100 years, was due to stand down on Aug. 16 in favour of Salvador Jorge Blanco, who won a presidential election in May. He had to stand for reelection.

Mr. Hernandez said the incident took place at 11 p.m. on Saturday night. Those in the office had rushed into the bathroom

after hearing a single shot and had found the president alive, he added.

They had taken the president to a military hospital but he had died six hours later, he said.

Mr. Hernandez said the president had been in good spirits and had been discussing administrative matters before the incident.

Mr. Guzman, a wealthy landowner and businessman in power since 1978, had also made telephone calls to King Juan Carlos of Spain and President Jose Lopez Portillo of Mexico that night, he added without disclosing the reason for the communications.

Mr. Guzman is to be buried in his home-town of Santiago.

GOREN BRIDGE

BY CHARLES H. GOREN
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Both vulnerable. East deals.

NORTH
♠ J10652
♥ A103
♦ 7
♣ K854

WEST
♠ 98
♥ 84
♦ K98432
♣ J107

EAST
♠ 7
♥ QJ952
♦ A106
♣ AQ62

SOUTH
♠ AKQ43
♥ K76
♦ QJ5
♣ 93

The bidding:
East South West North
1♥ 1♠ Pass 4♠
Pass Pass
Opening lead: Eight of ♣.

The sight of a singleton in dummy can strike fear in the heart of even the stoutest defender. East was a victim of this syndrome in today's hand.

North judged that, at this vulnerability, South would have close to the values for an opening bid for his overcall. So, rather than put any strain on his partner, he elected to jump to game. As it was, South had extra values and could have accepted a 3NT bid by his partner.

West led his top heart. Declarer grabbed the ace in dummy and immediately led dummy's singleton diamond. East rose with the ace and returned the queen of hearts, but now declarer was in charge. He won the king of hearts, drew two rounds of trumps, ending in his hand, and led the queen of diamonds for a ruffing finesse. Whether West covered or not, declarer would get rid of dummy's heart loser on a high diamond. Even though the ace of clubs was with East, declarer could lose no more than one diamond trick and two clubs.

East should have realized that he had nothing to gain by grabbing the ace of diamonds. Even if South held the king, going up with the ace would establish the king for a heart shift, so East would merely be swapping trick for trick.

As the cards lie, declarer can be defeated if East plays low when the diamond is led from the table. West wins the king, and he must now shift to the jack of clubs. If he continues with a heart, declarer can make his contract by stripping diamonds and then end playing East with the third heart. Once the defenders have their two club tricks in the bag, they can revert to hearts to make sure of getting the setting trick in that suit.

El Salvador's chief ally must maintain embassy like a fortress

By Bernd Debusmann
Reuters

SAN SALVADOR — It occupies an entire block on San Salvador's 25th North Avenue, a squat three-storey building surrounded by a forbidding grey wall manned on each corner by a steel-helmeted Salvadorean soldier with an assault rifle.

Two more heavily-armed troops peep through the viewing slits of sandbagged firing positions on the roof. Inside the compound, guards carrying sub-machineguns watch the heavy iron entrance gates and turnstiles. Closed-circuit television cameras scan the entrances and the streets outside.

The embassy of the United States in troubled El Salvador looks more like a fortress under siege than a diplomatic mission in a friendly country, and its sheer size has given rise to charges that it tends to function as an alternative government.

"People call me a proconsul," Ambassador Deane Hinton said in an interview. "Well, I'm not. If I were, I could make the decisions."

But the Americans leave no doubt of their ambition to influence the decision-making process. The embassy's civilian and military staff of 91 is slightly larger than the rest of the world's diplomatic representatives here put together.

"We have major interests in El Salvador and we are contributing important resources in support of El Salvador," Mr. Hinton said. "It is perfectly natural that we take an interest in how these resources are used."

In the view of the Reagan administration, the Salvadorean

government's success or failure in fighting left-wing guerrillas in a tough, protracted civil war is crucial to U.S. efforts to stem Communist advances in the Central America region.

El Salvador's political left see the U.S. embassy here as an ugly symbol of Yankee imperialism in a region where the United States has often imposed its will by armed force. Between the turn of the century and 1920 alone, U.S. troops landed in Central America 20 times.

To many on the political right here, U.S. insistence on agrarian reform constitutes blatant interference in the internal affairs of a country which has been run by the military on behalf of the rich for half a century.

Seven attacks

Last year, the American embassy was attacked with machineguns and rocket-propelled grenades seven times within 34 days — four of the attacks apparently carried out by rightists and three by the left. The wall that turned the mission into a fortress America in the heart of San Salvador was erected in response to the assaults.

To some politicians of the increasingly impotent centre in El Salvador's polarised society, the embassy reflects what they see as the diminished capability of the Western world's leading power to influence events.

"Of course the United States has influence here," said Mr. Hinton. "But no foreign country can do much more than try and convince the people (of the host country) that your ideas are

right."

Non-American diplomats here say that since the March 28 elections in which the party backed by the United States lost to a coalition of rightist groups, Washington's envoys are relying increasingly on the army to shape developments.

The rightists emerged from the elections as the most powerful force in the 60-member constituent assembly which promptly gave itself both legislative and executive powers and chose an interim government with little clout.

"Ultimately, however, it's the army which has the final say," said one envoy. "And the army knows that without American aid it would lose the war. The army knows it can't get the weapons it

NEWS ANALYSIS

wants from anyone else, so the army listens very closely to what the Americans want."

Fact and fiction

The U.S. government hailed the March 28 elections for a constituent assembly as a triumph for its policies, a resounding victory of reform over revolution. In fact, observers said, it strengthened many of those most opposed to reform.

In May, the assembly suspended part of an American-backed land reform programme seen by the United States as a vital instrument in defusing social tension and introducing social justice in this country of some five million people.

Some seasoned observers of El Salvador's violent politics feel that

the political setup resulting from the March elections could lead to a repetition of the 1979 coup in which the United States was reported to have played a role, backing the plotters.

The present U.S. involvement dates from Oct. 15, 1979, when young officers ousted Gen. Carlos Romero and concluded a political alliance with the Christian Democratic Party, El Salvador's only major organisation of the political centre.

Three months before the Salvadorean coup, the long civil war in Nicaragua ended in victory for the left-wing Sandinistas and the overthrow of the U.S.-backed dictator, Anastasio Somoza. The Sandinista victory buoyed anti-government rebels throughout Central America and alarmed Washington.

U.S. concern over a potential repeat of Nicaragua in El Salvador was reflected by unprecedented military aid, though negligible by Middle Eastern or even African standards.

According to figures issued by the U.S. Defence Department the Americans provided more military aid to El Salvador between 1980 and 1982 than in the preceding 19 years.

The U.S. embassy here lists military assistance since 1980 as \$217 million, including a supplementary request for military sales credits for the financial year 1983.

The government that came to power after the 1979 coup was generally labelled reformist and moderate but human rights organisations reported that torture, killings and arbitrary arrests actually increased under the reformers.

However, the Carter administration resume military aid to El Salvador early in 1981, just five weeks after aid was suspended pending an investigation into the role of government forces in the murder of four American nuns here.

Political killings continue, though the upsurge predicted after the rightist election victory has not materialised.

"There are people in the U.S. who say we should leave here unless violence ends," said Mr. Hinton. "Were we to leave, violence would get worse and the extreme left would eventually win."

Right-wing excesses

According to figures issued by El Salvador's left-leaning Christian legal aid committee, the Socorro Juridico, a total of 2,618 Salvadoreans died in political violence — not counting the victims of civil war combat — from the beginning of the year to the end of May.

The Socorro charges that most of the killings were carried out by members of the security forces or right-wing paramilitary organisations.

Senior U.S. embassy officials ascribe excesses by government forces to what they term "control and command problems of considerable magnitude."

As part of U.S. military assistance, 477 cadets — El Salvador's entire military academy — was dispatched to Fort Benning, Georgia, earlier this year on an officers' training course. Some 1,000 troops were also trained at Fort Bragg, North Carolina.

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